

HELM

FINANCIAL CORPORATION

One Embarcadero Center • San Francisco, CA 94111

415/398-4510

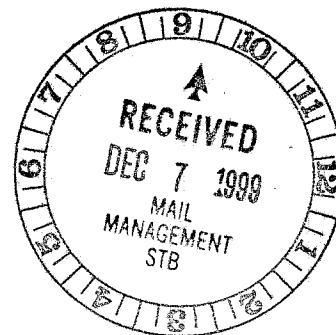
FAX 415/398-4816

RECORDATION NO. 21796-B FILED

November 18, 1999

DEC 22 '99 18-13 AM

SURFACE TRANSPORTATION BOARD



Mr. Vernon Williams
Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423-0001

RE: Termination of Lease Agreement dated as of November 15, 1999 by Helm Financial Corporation ("Lease Termination").

Dear Mr. Williams:

On behalf of Helm Financial Corporation, I submit for filing and recording, under 49 U.S.C. Section 11303(a) and the regulations promulgated thereunder the following document:

Three (3) fully-executed originals of the above-referenced Lease Termination.

In connection with the recording of the Lease Termination, please note the following information:

Name and Address of Lessor: Helm Financial Corporation
One Embarcadero Center, Suite 3700
San Francisco, CA 94111

Name and Address of Lessee: Dakota, Minnesota & Eastern Railroad Corporation
337 22nd Avenue South
Brookings, SD 57006

Equipment: Six (6) SD40 locomotives bearing the reporting marks and numbers DME 6062-6067.

Previous STB Filing: Lease filed on November 20, 1998 @ 10:22 am under Recordation No. 21796.

Please file the Lease Termination as a supplementary document and return two (2) endorsed original to my attention. A check covering the filing fee of twenty-six dollars (\$26.00) is enclosed.

Yours truly,

Alison Drain
Alison Drain
Document Administrator

/ad
Enclosures (3)

DEC 22 '99 18-13 AM

TERMINATION OF LEASE

THIS TERMINATION OF LEASE AGREEMENT ("Termination") was made on November 15, 1999, by and between HELM FINANCIAL CORPORATION, a California corporation ("Lessor"), and DAKOTA, MINNESOTA & EASTERN RAILROAD CORPORATION, a Delaware corporation ("Lessee").

R E C I T A L S:

- A. Lessor and Lessee are parties to the Locomotive Lease Agreement dated as of March 10, 1998, as amended by Amendment No. 1 thereto dated as of January 5, 1999 ("Lease"), pursuant to which the six (6), SD40 locomotives bearing the reporting marks and numbers DME 6062-6067 ("Unit(s)") were leased by Lessor to Lessee.
- B. The Lease is on file at the Surface Transportation Board of the Department of Transportation ("STB") under STB Recordation No. 21796 filed on November 20, 1998 at 10:22 AM.
- C. Pursuant to Section 24 of the Lease, Lessee's letter to Lessor of October 11, 1999 and Lessor's letter to Lessee dated as of October 26, 1999, Lessor transferred all of its right, title and interest in and to the Units to Lessee on November 15, 1999 ("Termination Date") and the Lease was terminated.
- D. Lessor and Lessee desire to execute this Termination to evidence for the public record the termination of the Lease.

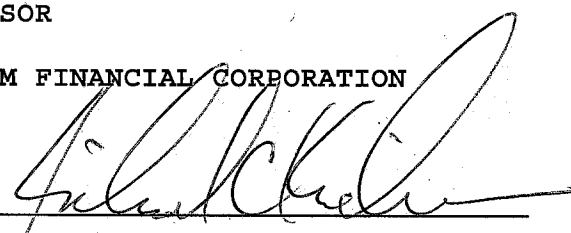
NOW, THEREFORE, in consideration of the premises, Lessor and Lessee do hereby acknowledge and confirm:

1. Termination of Lease. Lessor and Lessee hereby declare for the public record that as of the Termination Date the Lease is formally terminated.
2. Survival of Obligations Prior to Termination Date. Any obligations under the Lease with respect to the Units incurred prior to the Termination Date shall survive, including, but not limited to, Lessee's indemnification obligations.

IN WITNESS WHEREOF, the parties hereto have caused this Termination to be executed by their duly authorized representative as of the day and year first above written.

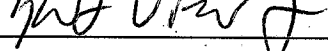
LESSOR

HELM FINANCIAL CORPORATION

By: 
 Name: Richard C. Kirchner
 Title: President

LESSEE

DAKOTA, MINNESOTA & EASTERN RAILROAD COMPANY

By: 
 Name: Kurt V. Feaster, Chief Financial Officer
 Treasurer & Ass't Secretary
 Title: _____

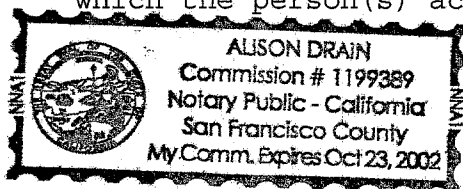
STATE OF CALIFORNIA)
) S.S.
COUNTY OF SAN FRANCISCO)

On November 15, 1999, before me, Alison Drain, personally
appeared Richard C. Kirchner, President of HELM FINANCIAL CORPORATION,

X personally known to me -OR-

— proved to me on the basis of satisfactory evidence

to be the person(s) whose name(s) is/are subscribed to the within
instrument and acknowledged to me that he/she/they executed the same in
his/her/their authorized capacity(ies), and that by his/her/their
signature(s) on the instrument the person(s), or the entity upon behalf of
which the person(s) acted, executed the instrument.



Witness my hand and official seal.

Alison Drain
SIGNATURE OF THE NOTARY

[Notarial Seal]

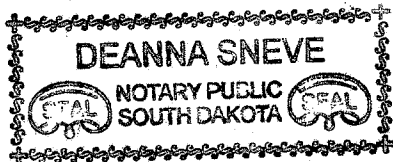
STATE OF SOUTH DAKOTA)
) S.S.
COUNTY OF BROOKINGS)

On November 11, 1999, before me, Deanna Sneve, personally
appeared Kurt V. Feaster, Chief Financial Officer of DAKOTA,
MINNESOTA & EASTERN RAILROAD CORPORATION,

✓ personally known to me -OR-

— proved to me on the basis of satisfactory evidence

to be the person(s) whose name(s) is/are subscribed to the within
instrument and acknowledged to me that he/she/they executed the same in
his/her/their authorized capacity(ies), and that by his/her/their
signature(s) on the instrument the person(s), or the entity upon behalf of
which the person(s) acted, executed the instrument.



Witness my hand and official seal.

Deanna Sneve
SIGNATURE OF THE NOTARY

[Notarial Seal]

My Commission Expires: June 2, 2005

[Handwritten mark]